

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2006

|   | Note | 2006<br>HK\$'000 | 2005<br>HK\$'000<br>(Restated) |
|---|------|------------------|--------------------------------|
| <b>Operating activities</b>   |      |                  |                                |
| Loss before taxation  |      | <b>(109,551)</b> | (127,379)                      |
| Share of results of a jointly controlled entity                                 |      | <b>5,226</b>     | 6,127                          |
| (Increase)/decrease in fair value of investment properties                      |      | <b>(1,475)</b>   | 127,385                        |
| Interest income   |      | <b>(6,995)</b>   | (18,844)                       |
| Interest expenses   |      | <b>85,772</b>    | 26,320                         |
| Depreciation of property, plant and equipment                                   |      | <b>19,584</b>    | 5,473                          |
| Amortization of intangible assets   |      | <b>14,450</b>    | 486                            |
| Gain on disposal of subsidiaries  |      | <b>(25,700)</b>  | —                              |
| Operating (loss)/profit before working capital changes                          |      | <b>(18,689)</b>  | 19,568                         |
| Decrease in amounts due from related companies                                  |      | <b>2,027</b>     | —                              |
| Increase in trade and other receivables, deposits<br>and prepayments            |      | <b>(11,843)</b>  | (60,789)                       |
| Increase in amounts due to related companies                                    |      | <b>6,346</b>     | —                              |
| (Decrease)/increase in other payables, deposits received<br>and accrued charges |      | <b>(31,386)</b>  | 210,428                        |
| Effect of foreign exchange rate changes   |      | <b>1,943</b>     | —                              |
| Net cash (used in)/generated from operations                                    |      | <b>(51,602)</b>  | 169,207                        |
| Hong Kong profits tax paid  |      | <b>(2,847)</b>   | (8,765)                        |
| Interest received on bank balances  |      | <b>6,456</b>     | 8,331                          |
| Net cash (used in)/generated from operating activities                          |      | <b>(47,993)</b>  | 168,773                        |

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|---|-------|------------------|--------------------------------|
| <b>Investing activities</b>                                   |       |                  |                                |
| Acquisition of subsidiaries                                   | 36(a) | (178,331)        | —                              |
| Disposal of subsidiaries                                      | 36(b) | 345,989          | —                              |
| Interest received on loan receivables                         |       | —                | 12,127                         |
| Purchase of property, plant and equipment                     |       | (262)            | (3,941)                        |
| Loans granted   |       | —                | (35,000)                       |
| Decrease/(increase) in fixed deposits with the FS Company     |       | 240,176          | (240,176)                      |
| Repayment of loan receivable                                  |       | 2,000            | 398,931                        |
| Purchase of investment properties                             |       | —                | (300,749)                      |
| Purchase of hotel property                                    |       | —                | (85,277)                       |
| Payments of put and call option premium                       |       | —                | (275,000)                      |
| Refund of option premium on cancellation                      |       | —                | 239,000                        |
| Payment for acquisition of an intangible asset                |       | —                | (14,000)                       |
| Investment in a jointly controlled entity                     |       | —                | (270,000)                      |
| Deposit paid for acquisition of a subsidiary                  |       | (70,000)         | (6,000)                        |
| Deposit paid for acquisition of investment properties         |       | (4,000)          | —                              |
| <b>Net cash generated from/(used in) investing activities</b> |       | <b>335,572</b>   | <b>(580,085)</b>               |



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|---|-------|------------------|--------------------------------|
| <b>Financing activities</b>                                   |       |                  |                                |
| Decrease in pledged deposits                                  |       | —                | 231,979                        |
| Interest element of finance lease payments                    |       | (30)             | (48)                           |
| New bank loans  | 36(c) | 425,000          | 300,500                        |
| New other loans   | 36(c) | 200,999          | —                              |
| Repayment of bank loans                                       | 36(c) | (76,247)         | (58,000)                       |
| Repayment of other loans                                      | 36(c) | (40,380)         | (20,018)                       |
| Redemption of convertible notes                               |       | (160,000)        | —                              |
| Repayment of promissory notes                                 |       | (320,000)        | —                              |
| Interest paid on borrowings                                   |       | (85,210)         | (16,497)                       |
| Capital element of finance lease payments                     | 36(c) | (324)            | (306)                          |
| Dividend paid   |       | (247,962)        | —                              |
| <b>Net cash (used in)/generated from financing activities</b> |       | <b>(304,154)</b> | 437,610                        |
| (Decrease)/increase in cash and cash equivalents              |       | (16,575)         | 26,298                         |
| Effect of foreign exchange rate changes                       |       | 35               | —                              |
| Cash and cash equivalents at beginning of year                |       | 36,944           | 10,646                         |
| Cash and cash equivalents at end of year                      |       | 20,404           | 36,944                         |
| <b>Analysis of the balances of cash and cash equivalents</b>  |       |                  |                                |
| Cash and bank balances  |       | 20,404           | 36,944                         |